

Bonneville Power Administration Power & Transmission Overview

For
Montana Energy Education Workshop:
Renewable Energy Primer and Plugging Wood into the Power Grid
July 14, 2010

Federal Columbia River Power System

Columbia River Basin & BPA Service Area

What is BPA?

- Self-funding federal agency within DOE. Sets rates to recover costs.
- Markets power at cost from 31 federal dams and 1 nuclear plant – over one-third of electricity used in PNW
- Markets transmission services – owns 75% (15,000 miles) of the high-voltage lines in PNW
- Protects, mitigates & enhances fish & wildlife in the Columbia River Basin
- 300,000-square mile service area – includes WA, OR, ID and Western MT
- \$3 billion in annual revenues
- 3,000 employees
- Headquarters in Portland, OR
- Established in 1937



New Power Sales Contracts & Tiered Rates

- BPA & customers signed new 20-year wholesale power contracts in 2008
- Power deliveries begin FY 2012 and continue through FY2028
- Customers receive power and share of the costs associated with the firm output of existing FCRPS at lowest cost-based rates (Tier 1)
- Customer choice of future power supply for load growth – federal and non-federal options
- Initial BPA tiered rates will be established in FY 2011, for the FY 2012-2013 rate period
- Tier 2 rates will reflect BPA costs to procure sources of supply in flat blocks or converted to flat blocks to meet customer requests

Tier 2 Rate Prospectus

FY 2012-14 and FY 2015-19

Tier 2 Alternative (Customer commitment)	Availability	Potential Resources Allocated to Tier 2 Rate Pool <i>(Will evolve over time subject to our load/resource balance deficit and as we get more information about available resources and customer needs)</i>	RECs Provided?
Load Growth (17 years: FY 2012-2028 14 years: FY 2015-2028)	Load Following customers	A mix of short & long term purchases (in no particular order, examples could include Market Purchases, Renewables, CCCT, Waste Energy Gen, etc). Resource selection primarily driven by lowest life cycle cost.	Potential that some level of RECs could be provided over the course of the contract.
Short-Term (3 years: FY 2012-2014 5 years: FY 2015-2019)	Load Following and Slice/Block customers. Slice/Block customers must commit to defined amounts when making their elections every year of the Purchase Period.	Short-Term market purchases (5 years or less in duration). Purchases driven by lowest cost market opportunities.	Unlikely
Vintage (up to 17 yrs)	Any purchaser with an amount of Short-Term service; however, vintage rate not offered for the 11/01/09 decision deadline due to insufficient customer interest. BPA will be surveying customers to see if there is interest in a Vintage rate for FY 2014.	Based on customer interest. (In no particular order: Wind, Geothermal, Solar, Waste Energy Generation, CCCT, Market Purchase). Resource selection driven by targeted resource, lowest life cycle cost, and overall BPA load/resource balance deficit.	Yes, for most renewable-based rate alternatives.

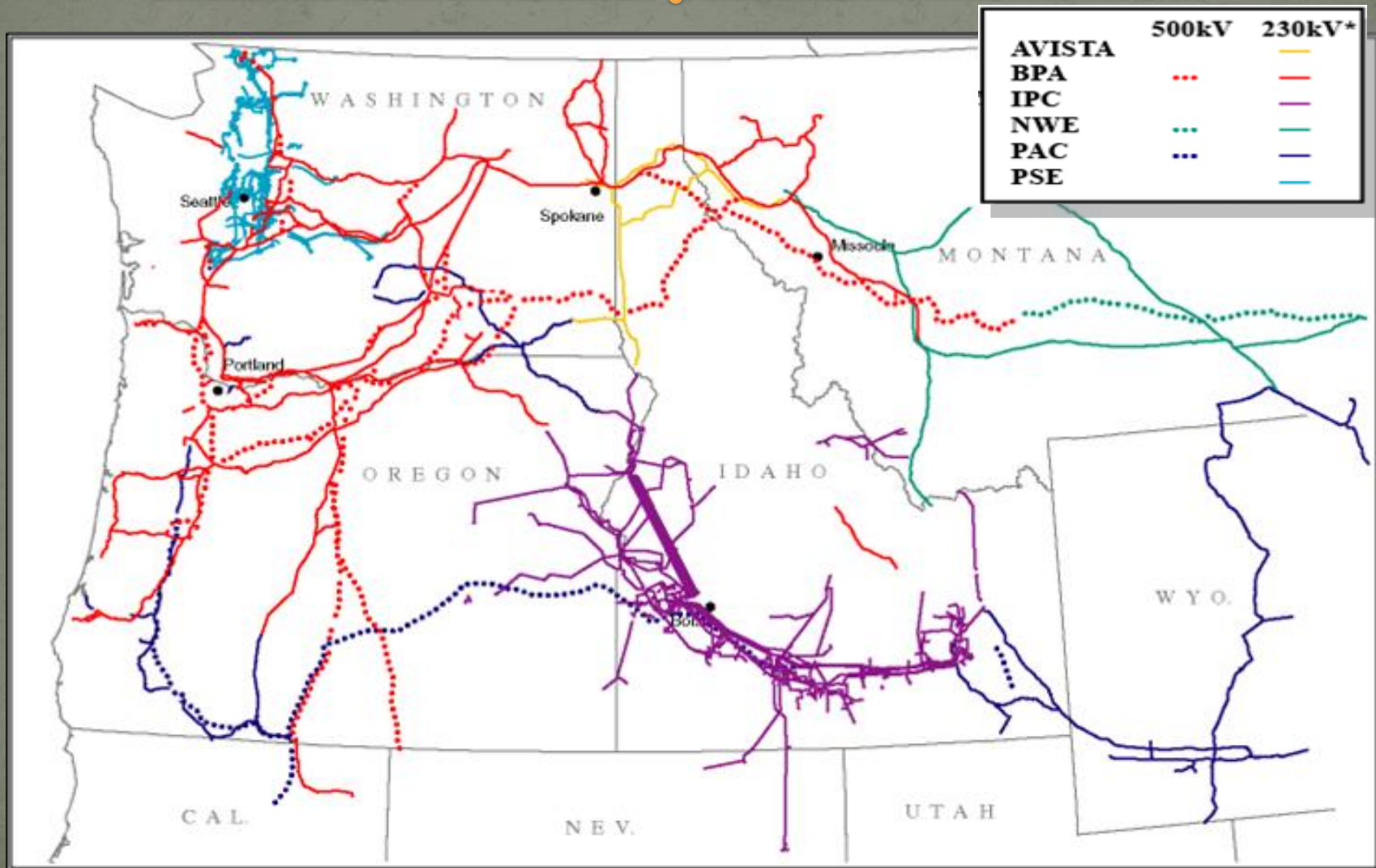
Tier 2 Customer Choice Timelines and 2012-2014 Decisions

Notice Deadline		Purchase Period
November 1, 2009	for	FY 2012 – FY 2014
September 30, 2011	for	FY 2015 – FY 2019
September 30, 2016	for	FY 2020 – FY 2024
September 30, 2021	for	FY 2025 – FY 2028

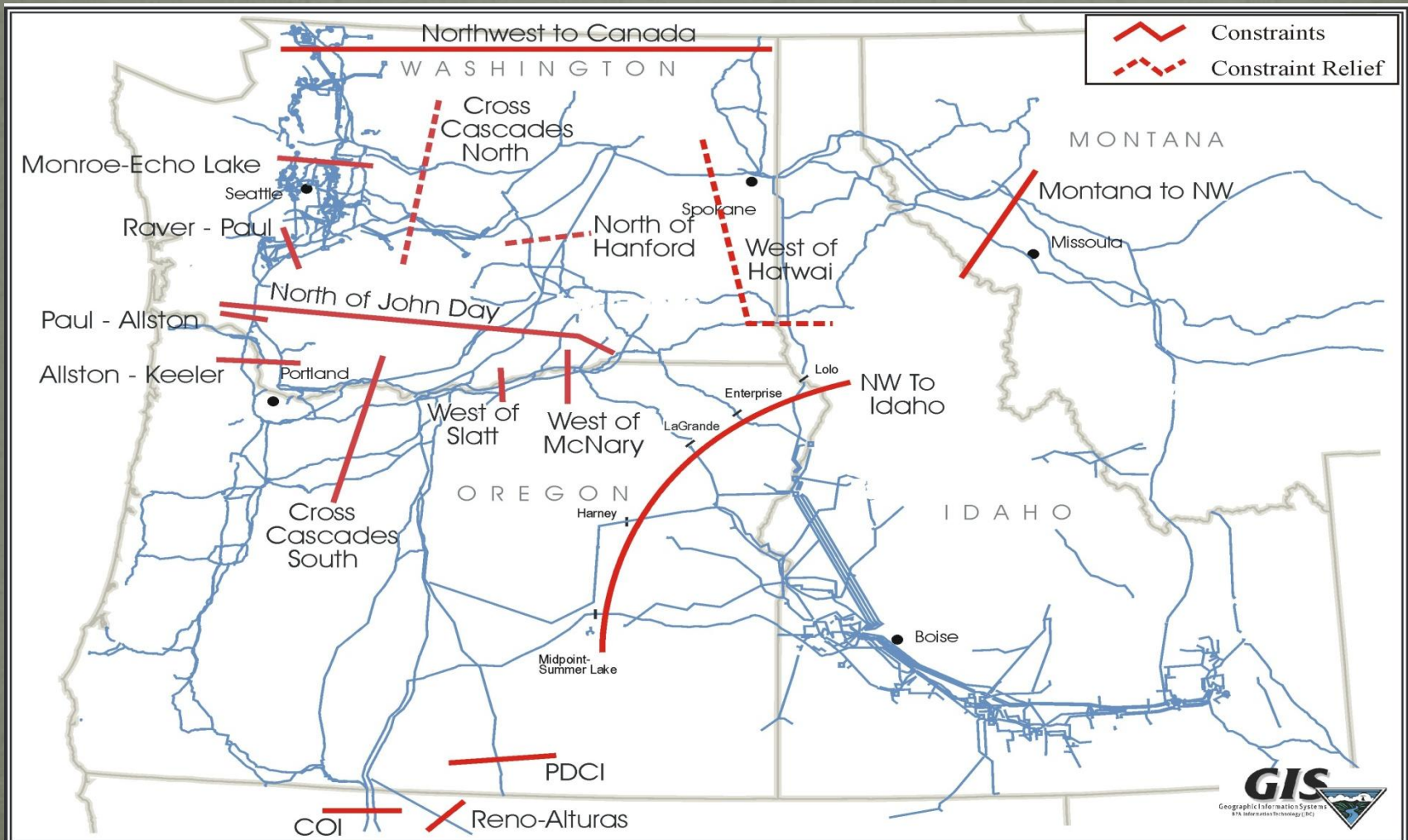
Note: 103 Load Following customers and 17 Slice/Block customers	FY 2012	FY 2013	FY 2014 (load amounts below are estimates)
Total 2012-2014 Above-RHWM Load Amounts (in aMWs)			
Total Tier 2 Rate Service	21.1 (15% of Total AHWML)	56.6 (21% of Total AHWML)	47.6 (12% of Total AHWML)
Total Non-Federal Resources	117.1 (81% of Total AHWML)	200.2 (74% of Total AHWML)	322.6 (84% of Total AHWML)
Total Above-RHWM Load	144	269	385

- By Sept. 30, 2011, customers must elect how they will serve their Above-RHWM Load during the FY 2015-2019 purchase period.

Combined NW Transmission Grid



Constrained Paths – Now



Conducting Business with BPA Transmission

- Open Access Transmission Tariff (OATT):
http://www.transmission.bpa.gov/business/ts_tariff/
- Rates
- Transmission Service Requests
- Network Open Season
- Future Transmission Upgrades

Generation Interconnection & Integration – Getting Started

- Call or meet with your Transmission Account Executive
- Discuss concept – confirm need for formal interconnection request
- ≤ 20 MW: Small Generation Interconnection Procedure (SGIP) - \$2500 initial deposit with application – demonstrate site control
- >20 MW: Large Generation Interconnection Procedure (LGIP)
- Construction agreement for generation integration through a host utility
- Balancing authority area services agreement for generation integration

BPA Contacts

- Power Account Executive (Montana): Clarence (C.T.) Beede,
(406) 849-5034 (406) 544-0625 ctbeede@bpa.gov
- Transmission Account Executive (Montana): Brian
Altman, (306) 619-6003 (360) 901-5171 bdaltman@bpa.gov
- Bulk Power Marketing Account Executive: Deb
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- Constituent Account Executive (Montana):
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